

**BUDGETING FOR NAVAL FORCES:
STRUCTURING TOMORROW'S NAVY
AT TODAY'S FUNDING LEVEL**

The Congress of the United States
Congressional Budget Office

NOTES

Unless otherwise indicated, all dollar amounts in this study are in 2000 dollars.

Numbers in the text and tables may not add up to totals because of rounding.

The cover shows artists' representations of (from top to bottom) the Virginia class attack submarine, the LPD-17 amphibious transport dock, the DD-21 land-attack destroyer, and the CVNX aircraft carrier. (Drawings courtesy of the U.S. Navy and Electric Boat Corporation.)

Preface

How much money does the Department of the Navy need to sustain its current force of about 300 ships and 3,500 aircraft? Many analysts argue that the service will need a larger budget in the future if it is to maintain a high state of readiness, modernize its ships and aircraft, and improve the quality of life for its sailors, pilots, and marines. If the Navy cannot sustain its fleet under current budget levels, what are some possible alternatives to its current force structure and modernization plans?

This Congressional Budget Office (CBO) study—prepared for the Subcommittee on Sea Power of the Senate Committee on Armed Services—examines the Navy’s missions, its modernization plans, and the budgetary implications of supporting the service’s current and planned fleets through 2020. It also looks at four alternative force structures that the Navy might be able to sustain at roughly its current funding level of \$90 billion (adjusted for inflation). In keeping with CBO’s mandate to provide objective analysis, this study makes no recommendations.

Eric J. Labs of CBO’s National Security Division wrote the study under the general supervision of Christopher Jehn and R. William Thomas. Raymond Hall of the Budget Analysis Division prepared the cost analysis under the general supervision of Mick Miller. Sally Sagraves thoroughly reviewed the manuscript before publication. The author would also like to thank Lane Pierrot, Jo Ann Vines, Dawn Regan, and Kent Christensen of CBO, Ivan Eland of the Cato Institute, and numerous employees of the Department of the Navy for their help. Robert Shackleton, Arlene Holen, and Barry Anderson of CBO and the late James L. George provided thoughtful comments on an earlier draft of this study. (The assistance of external participants implies no responsibility for the final product, which rests solely with the author and CBO.)

Leah Mazade and Christian Spoor edited the study, and Christine Bogusz proofread it. Judith Cromwell produced drafts of the manuscript, Kathryn Quattrone prepared the study for publication, and Annette Kalicki prepared the electronic versions for CBO’s Web site.

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October 2000

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